

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES  
AGENCY CASE NO. 2008-AH-**

COMMONWEALTH OF KENTUCKY, EX. RE. THE  
COMMISSIONER OF THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS

PETITIONER

V.

JERALD L. WOODS

RESPONDENT

\* \* \* \* \*

**ORDER TO CEASE AND DESIST**

\* \* \* \* \*

The Commonwealth of Kentucky, by and through the Commissioner of the Office of Financial Institutions, hereby enters this Order directing Respondent, Jerald L. Woods, to immediately Cease And Desist from violating the provisions of the Kentucky Securities Act and to Show Cause why a final order should not be issued against them. The basis for this Order is as follows:

**Findings of Fact**

1. The Department of Financial Institutions ("DFI") is the agency of Kentucky state government charged with enforcement of the provisions of KRS Chapter 292 (the Kentucky "Securities Act") and the rules and regulations enacted thereunder. This Order is entered in the interest of the investing public.

2. Jerald L. Woods (“Woods”) is an individual conducting business in Kentucky as Jerald L. Woods & Associates, 106-B, Cottage Circle, Elizabethtown, Kentucky 42701.
3. Upon information and belief, on August 26, 2005, Woods entered into an Agency Agreement and a revised Agency Agreement on September 19, 2005 with Waylinks, Inc.(“Waylinks”), a Wyoming corporation with its principal offices located at 300W. Dixie Ave., Elizabethtown, Kentucky 42701. Pursuant to the agreements, Waylinks contracted with Woods to act as Master Agent for the purpose of raising a minimum of Five Million Dollars (\$5,000,000) in capital for Waylinks at a price of One Dollar (\$1.00) per share. The Agreement also provides for Woods to be paid a commission of “up to 40%” by Waylinks from the sale of stock. A copy of the Agreement is attached as Exhibit A and is incorporated herein by this reference.
4. The agreements that Woods, “as a “fund raising specialist, whose expertise is relied upon by Waylinks, has a duty to perform [his] function [as Master Agent] in accordance with all applicable laws, rules and regulations, wherever and with whomever, Master Agent conducts business.”
5. Upon information and belief, Woods has offered to sell and has sold shares of Waylinks common stock to a number of individuals within the state of Kentucky and from Kentucky to non-residents of Kentucky.
6. Woods is not now and has never been registered as a broker/dealer or an agent for the sale of securities with the state of Kentucky.

7. The Waylinks securities being offered and sold by Woods have never been registered with the state of Kentucky, any other state or with the Securities and Exchange Commission.
8. Pursuant to KRS 292.330(1), it is unlawful for any person to transact business in this state as a broker-dealer or agent, unless the person is registered under the Kentucky Securities Act (KRS Chapter 292).
9. KRS 292.310(1) defines “agent” to mean any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities, unless specifically exempted under the Kentucky Securities Act.
10. KRS 292.310(2) defines “broker-dealer” to mean any person engaged in the business of effecting transactions in securities for the account of others or for his own account, unless specifically exempted under the Kentucky Securities Act.
11. Because Woods contracted to offer and sell Waylinks’ securities on commission, no exemption from the registration requirements under the Kentucky Securities Act exist.
12. Woods has acted as an unlicensed agent or broker-dealer for Waylinks in connection with the sale of unregistered securities in violation of the Kentucky Securities Act.
13. KRS 292.470 provides that whenever it appears to the Commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Kentucky Securities Act or any rule or order thereunder, the Commissioner may issue a cease and desist order, with or without a prior hearing, appealable to the Franklin Circuit Court, against the person or persons engaged in the prohibited activities directing that person or persons to cease and desist from illegal

activity. In order to issue an order without a prior hearing, the Commissioner must find that the delay in issuing a final cease and desist order will cause harm to the public.

14. In view of the fact that the Respondents have been and may continue to attempt to be unlawfully engaging in the investment advisory business and may be soliciting additional clients, the Commissioner finds that delay in the issuance of a final cease and desist order will cause harm to the public.

#### **Order**

15. On the basis of the foregoing Findings of Fact and Conclusions of Law, the Commissioner hereby ORDERS that the Respondent, Jerald L. Woods, immediately cease and desist from acting as an unlicensed agent in the sale or offer of sale of securities to residents of Kentucky or to non-residents of Kentucky if the offer or sale of the security was made in or originated from Kentucky. This Order is in no way limited to the sale or offer of sale of Waylinks stock, but shall operate as a bar in connection with sale or offer of sale of securities in any entity by Woods so long as he is an unlicensed agent selling on commission in violation of the Kentucky Securities Act.
16. IT IS FURTHER ORDERED that the Respondent shall show cause why a final order should not be issued against him.
17. The Respondent SHALL request a hearing in this matter, in writing, if he desires one, within twenty ("20") days of the entry date of this Order. If the Respondent timely requests a hearing in this matter, he shall be afforded a hearing in accordance with KRS Chapter 13B.

18. If the Respondent fails to timely request, in writing, a hearing in this matter, his right to a hearing shall be waived. Furthermore, if the Respondent fails to file a response to this Order or attend a duly scheduled hearing in this matter after having received notice thereof, the allegations contained in this Order shall be deemed true without further proof. The Respondent shall then be deemed in default and the proceedings may be determined against him upon consideration of this Order. Upon default, a final order shall be entered which may include the imposition of a fine, costs and all other appropriate relief, such as disgorgement or restitution to clients.

Entered this 12 day of November, 2008.

*By: James C. Stroebe, Director*

CHARLES VICE

Commissioner

Department of Financial Institutions

1025 Capital Center Drive

Suite 200

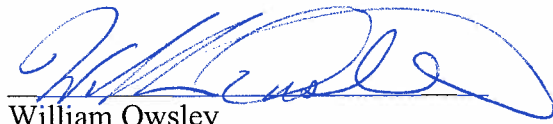
Frankfort, KY 40601

(502) 573-3390

### **CERTIFICATE OF SERVICE**

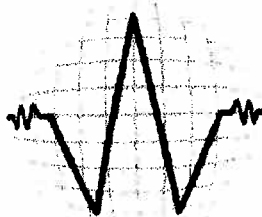
I hereby certify that a true and accurate copy of the foregoing was served by certified mail, return receipt requested to the following on this the 12<sup>th</sup> day of November, 2008:

Jerald L. Woods  
Jerald L. Woods & Associates  
106-B, Cottage Circle  
Elizabethtown, Kentucky 42701.



William Owsley  
Office of General Counsel  
Department of Financial Institutions

Exhibit A



**WAYLINKS, INC.**  
P.O. Box 510  
Upton, KY 42784  
<http://www.waylinks.com>

This Agency Agreement ("Agreement") is made and entered into between: Jerald L. Woods, hereinafter, referred to as "Master Agent" whose address is, 106-B Cottage Circle, Elizabethtown, KY 42701 and Waylinks, Inc., whose mailing address is, Waylinks, P.O. Box 510, Upton, KY 42784. Waylinks desires to retain Master Agent's services to perform duties as described below, and Master Agent agrees to perform those duties based on the following terms and conditions:

1. **DUTY & TERM:** The Master Agent has a duty to raise capital funds for Waylinks, Inc., in order to fund development and production of a wireless networking device. Master agent agrees to raise a minimum of Five Million Dollars (\$5,000,000.00 United States Dollars) net, for exclusive use of Waylinks, Inc. This agency agreement shall commence September 19, 2005 and shall expire in one year from date of Agreement unless renewed by an extension of this agreement. Master Agent, as a fund raising specialist, whose expertise is wholly relied upon by Waylinks Inc., has a duty to perform this function in accordance with all applicable laws, rules and regulations, wherever and with whomever, Master Agent conducts business.

2. **COMPENSATION:** Waylinks, Inc. agrees that Master Agent can earn a commission of up to 40% on funds raised until the end of this agreement, or termination of this Agreement, whichever is first. Master Agent is also entitled to a holding of Five Percent (5%) of stock outstanding and the stock is deemed earned upon receipt of first funds raised and capitalized. Master Agent's stock is subject to the same terms, conditions, and management decisions as any other stockholder, to and including an increase or decrease to a percentage of stock issued, as long as it equals 5% of total shares outstanding. Waylinks, Inc. shall provide relevant written materials and documents regarding issuance of stock to Master Agent upon completion of this Agreement. Master Agents stock and other fixed percent stockholders actual percentage of stock is a variable amount and the actual number of shares cannot be ascertained until the closing of stock sales. Waylinks, Inc., at its sole discretion has the right to: (a) modify from time to time the cost per share which the Master Agent may offer, and: (b) may approve or disapprove the subscriber. Payment of commissions shall be made to Master Agent as soon as the funds become collected funds when banked after deposit into the Waylinks account.

Master Agent is responsible for all expenses incurred by Master Agent and Sub-Agents, if any, in the course of rendering services pursuant to this Agreement other than those set forth in Section 6 below.

3. SUB-AGENTS: Waylinks, Inc. hereby authorizes Master Agent to appoint Sub-Agents, at Master Agent discretion, to solicit investment funds for Waylinks, Inc. on behalf of Master Agent. Master Agent is totally responsible for compensation of Sub-Agent(s) and may assign any portion of Master Agent commission to Sub-Agent(s), as specified in the Sub-Agency Agreement from Master Agent. Master Agent shall pay directly all Sub-Agent(s) commissions and relevant expenses as agreed to by and between Master Agent and Sub-Agent. Waylinks, Inc., is to be held save harmless by Master Agent from any liability for any disagreement regarding remuneration, or misrepresentation, between Master Agent, Sub-Agents, Investors, proxies and ancillaries.

4. INDEPENDENT CONTRACTOR: It is understood that the Services provided by Master Agent and Sub-Agents, if any, pursuant to this Agreement, are provided as an independent contractor, and that no employment relationship exists, is to be implied, or construed to exist as part of this Agreement. Master Agent and Sub-Agents are self-employed, and as such: (a) they do not have the power or authority to bind Waylinks, Inc. in any manner whatsoever regarding business operations; (b) they are responsible for their own payroll and required deductions; and (c) they are not entitled to reimbursement of any expense.

5. TERMINATION: Either party may terminate this Agreement or any extension thereof without cause with thirty days written notice to the other party. Termination with or without cause shall have no affect on the commissions owed to Master Agent on monies received. This Agreement terminates automatically upon the anniversary of the date indicated above unless renewed via an extension, as agreed, by both parties.

6. MATERIALS: Master Agent may produce or derive marketing materials, including business cards, as long as Waylinks, Inc. management, prior to dissemination to prospective Investors, approves of their usage. If Waylinks, Inc., materially changes any circumstances to such an extent that investor materials are rendered obsolete, Waylinks may, upon consensus, reimburse Master Agent via participation in cost splitting for new marketing materials.

7. INDEMNITY & INSURANCE: Master Agent shall indemnify and hold harmless Waylinks, Inc. against all losses, claims, liabilities, damages and expenses, directly or indirectly, arising out of or resulting from any act or omission by Master Agent or its Sub-Agents in the performance of this Agreement. If Insurance is required by Master Agent then it is Master Agents responsibility to comply.

8. CONFIDENTIALITY: Master Agent acknowledges that the information contained herein and remuneration received in performing duties and services pursuant to this Agreement is private and confidential. Furthermore, without written authorization from Waylinks, Inc., Master Agent will not, either during or following the term of this Agreement, directly or indirectly, disclose, use or convey to any third party, including

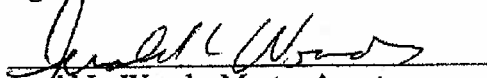


Sub-Agent, any knowledge or confidential information acquired by Master Agent during Master Agent's engagement herein. Master Agent will maintain current contact information with Waylinks, Inc., at all times during the term of this agreement.

9. **WORK PRODUCT:** All written materials, market materials, shows, conferences, documentation, including issuance of stock subscription agreements, shall be handled by the Master Agent in the manner of his discretion and whose cost is paid for from the commission. Master Agent shall collect investment funds and obtain all necessary information and signatures for the issuance of stock certificates, accounting and tax information, as required by law, and this agreement. Master Agent shall maintain an electronic database of all investors, the amount invested, number of shares purchased and any other pertinent information and provide Waylinks, Inc., a copy thereof at close of business each day whenever, changed or updated.

10. **LEGALITY:** This agreement supercedes any previous agreement between Master Agent and Waylinks, Inc., any previous agreement is null and void.

**IN WITNESS WHEREOF, the Master Agent hereto has accepted and executed this Agreement as of the date referenced above.**

  
Gerald L. Woods, Master Agent

~~230-234-9~~ 720-220-7014  
Telephone Number  
SSN/Tax ID No. 311-48-7108

THIS AGREEMENT IS ACCEPTED BY Waylinks, Inc., on September 19, 2005

By: 

Title: President